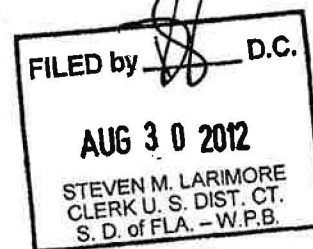


UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. 09-81046-CIV-RYSKAMP/HOPKINS



INNOVATIVE BIOMETRIC
TECHNOLOGY, LLC,

Plaintiff,

FILED UNDER SEAL

v.

TOSHIBA AMERICA INFORMATION
SYSTEMS, INC.,

Defendant,

and

AUTHENTEC, INC.,

Intervenor.

SEALED

**ORDER GRANTING MOTION FOR FEES AND COSTS, REQUESTING SUBMISSION
OF MATERIALS FOR IN CAMERA REVIEW AND GRANTING MOTION TO STRIKE**

THIS CAUSE comes before the Court pursuant to Defendants' consolidated motion for attorneys' fees and costs, filed November 28, 2011 [DE 289]. Plaintiff responded on December 6, 2011 [DE 297]. Defendants replied on December 13, 2011 [DE 304]. This cause is also before the Court pursuant to Defendants' motion to strike the declaration of Robert A. Vitale, filed December 13, 2011 [DE 302]. Plaintiff responded on December 28, 2011 [DE 307]. Defendants replied on January 1, 2012 [DE 308]. The Court held a hearing on these motions on March 30, 2012. Intervenor AuthenTec, Inc. filed a supplemental brief on April 13, 2012 [DE 321], to which Plaintiff responded on April 17, 2012 [DE 325]. AuthenTec replied on April 24, 2012 [DE 331]. These motions are ripe for adjudication.

Samsung Ex. 1324
Samsung v. Rembrandt
IPR2014-00519

KOOPMAN
EXHIBIT 1324

I. BACKGROUND

IBT is a non-capitalized entity without products, employees or sales. Scott Harris (“Harris”), the inventor of the ‘016 patent, is an experienced patent prosecutor and is a former principal at the Fish & Richardson law firm. While still at Fish & Richardson, Harris prosecuted patents in his own name, including the ‘016 patent. In 2006, Harris began enforcing his patents through litigation with the help of the Niro Haller & Niro law firm. In 2007, Harris filed suits against Dell and Google, both Fish & Richardson clients. Harris was asked to and did resign shortly thereafter. Harris then “sold” his patents to a number of shell companies. At least six Harris-related shell companies, IBT included, are purportedly “owned” and “controlled” by James Beauregard Parker (“Parker”), a Florida attorney. Parker created IBT on July 27, 2007 and is listed as its sole owner and managing partner. Parker admitted that he never made the capital contribution required under IBT’s formation document, nor did he maintain a bank account or accounting papers for IBT. Parker admitted that he would follow Harris’s directions with regard to corporate affairs involving any Harris patents.

On July 30, 2007, pursuant to a Patent Sale Agreement, Harris transferred the ‘016 patent to IBT. IBT was to enforce the ‘016 patent, with Harris receiving 70% of the proceeds. The Niro firm decides which companies IBT will accuse of infringement and when and how to commence enforcement efforts and has authority to file complaints and pursue other litigation strategies on behalf of IBT.

In early 2009, the Niro firm sent notice letters and claim charts regarding the alleged infringement of the ‘016 patent to several parties. Each party independently reviewed the claims

and responded with the same substantive argument, informing IBT that its interpretation of the “limited exception mode” would not withstand scrutiny and that prior art invalidated the patent.¹

Undeterred, IBT filed an amended complaint on February 12, 2010. Trial was set for December 2011. Claim construction briefing concluded on February 25, 2011. IBT’s claim construction materials included the same infringement claim charts that it included with its notice letters.

On March 15, 2011, the Court issued an order indicating an intent to appoint a special master. Defendants opposed the proposed appointment and moved for summary judgment on March 25, 2011. IBT did not respond to the summary judgment motion and pressed the Court to appoint the special master. Notably, IBT still had not taken any depositions by that time. IBT even suggested that its own claim constructions could be wrong and filed a Rule 56(d) declaration in which counsel affirmed under oath that additional discovery was necessary to form a substantive response to the summary judgment motion.

After filing its Rule 56(d) declaration, IBT pursued and obtained discovery from each Defendant. Depositions IBT conducted demonstrated no real efforts to pursue any questioning with AuthenTec regarding the functionality or material differences between the Protector Suite software cited in IBT’s infringement contentions and the Protector Suite identified as invalidating prior art in Defendants’ Motion for Summary Judgment. It is also evident from the record that IBT’s counsel did not thoroughly examine documents produced during discovery. On the last day of the discovery period, IBT alleged that AuthenTec withheld broad categories of

¹ The Veridicom prior art disclosed prior to the filing of this action is a later version of the same Veridicom software that Defendants asserted as invalidating prior art in their summary judgment motion.

documents – even though the documents were produced nearly a month prior, along with an index for reference purposes.

After the close of discovery, the Court set a hearing on the summary judgment motion even though IBT had not substantively responded to same. At the eleventh hour, IBT requested permission to respond on the merits to the summary judgment motion, again seeking to delay any type of ruling on the merits. The Court granted permission to respond, stating that “Defendants and Intervenor are understandably upset...The Court, too, wishes that Plaintiff had not waited until the eleventh hour to file this motion.”

IBT responded to the summary judgment motion on July 5, 2011. The opposition did not cite to a single piece of the discovery that counsel had attested under oath in the Rule 56(d) declaration was needed to oppose the summary judgment motion. Instead, IBT attached the declaration of Dr. Koopman, who had a long-standing relationship with the Niro firm and had been retained for this case by March 9, 2011 – before the filing of the summary judgment motion.

The record evidence contradicted Dr. Koopman’s opinions on every dispositive factual issue. For example, Dr. Koopman claimed that the Veridicom PCT application does not directly or inherently disclose “decrypting.” But the Veridicom PCT application expressly teaches using “cryptographic storage techniques” to store biometric features and references the co-pending Veridicom patent application for those techniques. Dr. Koopman also ignored that the co-pending Veridicom patent application specifically states: “[a]ccording to another aspect of the present invention,...a cryptographic key can be generated...from the user’s fingerprint. This cryptographic key can be used to decrypt information meant for the user.” (Ex. 20, disclosing encryption, including use of cryptographic keys and codes.) Dr. Koopman made a similar claim

with regard to the BioLogon materials, but his opinion was again contradicted on the face of the materials. His theory of why decryption was not necessary to compare fingerprints was refuted by a textbook authored by experts in the field of fingerprint matching who were not paid by the Niro firm or any party in this matter to offer an opinion in this case. Fujitsu told IBT in September 2009 that, when it comes to fingerprints, matching is not as simple as comparing whether "A=B" -- and yet the entirety of Dr. Koopman's opinion rests on that notion.

At the summary judgment hearing, the Court expressed serious concerns about IBT's position:

Now, the defendants have supplied the Court with a number of statements and exhibits indicating that for some years this information -- I should say for some years even prior to this patent that fingerprint recognition was an accepted method, others have used it, and there's another patent involved in it.

And I may be missing something here, but this seems like a fairly simple case. I know you're making it very complicated with a lot of talk....Now, there might be some unusual little variance to this thing, which I don't know how significant it would be, but it seems to me that this technology has been around....

Transcript, 6:5-18 (Ex. 22). During the hearing, the undersigned noted IBT's improper strategy in this case:

What you're really saying is there's nobody financially responsible on the plaintiff's side for all of the costs they're incurring to the defendant....That's so typical of these kinds of claims. You've got nothing to lose. Because if you lose, you're not going to pay anything. If you win, you might get paid nuisance value or something like that. I would be interested in how big the settlements were with the people you settled with. They're probably nominal settlements, weren't they?...And that's what I'm concerned with....

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